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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92052897
Party	Defendant Galderma Laboratories, Inc.
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Submission	Motion to Dismiss - Rule 12(b)
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Attachments	RESTORADERM Motion to Dismiss.pdf (10 pages)(952019 bytes)

Thomas Skold
Petitioner,

V.

Galderma Laboratories, L.P.
Registrant.

Cancellation No.: 92052897

Mark: RESTORADERM

Reg. Nos.: 2,985,751 and 3,394,514

Registrant, Galderma Laboratories, L.P., hereby files three combined pleadings. First, in response to Petitioner's recently filed Amended Petition for Cancellation, Registrant moves to dismiss Cause 2 as listed in the Amended Petition as it relates to U.S. Reg. No. 3,394,514, and Cause 3 as listed in the Amended Petition in its entirety, both on the ground that Petitioner has failed to state a claim upon which relief can be based with respect to these causes. Second, Registrant moves to strike Causes 4, 5 and 6 as listed in the Amended Complaint on the grounds that Cause 4 is redundant of Cause 1 and/or immaterial and that Causes 5 and 6 do not state valid grounds for cancellation and/or are redundant of Cause 1. Third, Registrant files a reply to Petitioner's Brief in Opposition to Registrant's Motion to Strike and Motion for a More Definite Statement and, to the extent that Petitioner has used its opposition brief as a motion for reconsideration, Registrant herein opposes such motion.

Petitioner's original Petition for Cancellation, filed August 16, 2010, stated as its sole ground for cancellation that Registrant "no longer owns" the registrations in dispute under either of two contract theories. Registrant filed a Motion to Dismiss Petition for Cancellation under Fed. R. Civ. P. 12(b)(6) on the ground that the Petition failed to state a valid ground for cancellation. In an Order dated January 25, 2011, the Board held that Petitioner had sufficiently alleged facts for priority of use and likelihood of confusion under Section 2(d) of the Lanham Act. On February 24, 2011, Registrant filed a Motion to

Strike the “no longer owns” ground for cancellation and a Motion for a More Definite Statement regarding the ground interpreted by the Board as supporting the original Petition—that is, priority of use and likelihood of confusion.

On March 23, 2011, Petitioner filed three documents: (1) a Brief in Opposition to Registrant’s Motion to Strike and Motion for a More Definite Statement; (2) a Motion to Amend Pleading Under Fed. R. Civ. P. 15(A); and (3) an Amended Petition for Cancellation. It is Registrant’s understanding, pursuant to 37 C.F.R. § 2.115 and Fed. R. Civ. P. 15(a), that Petitioner did not need leave to amend his petition at this stage in the proceedings. Registrant, therefore, makes these submissions based on its understanding that the Amended Petition is now the operative pleading.

REGISTRANT’S MOTION TO DISMISS CAUSE 2 (IN PART) AND 3 OF PETITIONER’S AMENDED PETITION

Registrant Galderma Laboratories, L.P. hereby moves to dismiss Cause 2 as it relates to Reg. No. 3,394,514 and Cause 3 in its entirety of the Amended Petition under Rule 12(b)(6) of the Federal Rules of Civil Procedure and Section 503 of the Trademark Trial and Appeal Board Manual of Procedure on the ground that Petitioner has failed to state a claim upon which relief can be based. Dismissal for failure to state a claim is warranted if a petition fails to allege facts which, if proved, establish a valid ground for cancellation. *See Cineplex Odeon Corp. v. Fred Wehrenberg Circuit of Theatres, Inc.*, 56 U.S.P.Q.2d 1538, 1539 (T.T.A.B. 2000). As is shown below, even assuming all of the facts stated in these causes are accurate, they should still be dismissed.

I. Petitioner Has Failed to State a Claim of Abandonment Regarding Reg. No. 3,394,514 (Amended Petition Cause 2)

Petitioner has made no factual allegations in its Amended Petition supporting a ground of abandonment with respect to Registrant’s Reg. No. 3,394,514. In fact, the allegations pertaining to Petitioner’s abandonment ground of cancellation are presented under a heading which reads: “Cause 2: Abandonment of the ‘751 Registration,” implying that Petitioner intended only to allege abandonment as a ground for cancellation of the other registration at issue, namely, Registrant’s Reg. No. 2,985,751.

Yet, in paragraph 55, following several factual allegations relating to the alleged abandonment of Reg. No. 2,985,751 and none relating to an alleged abandonment of Reg. No. 3,394,514, Petitioner states: "Accordingly, Registration Nos. 2985751 and 3394514 should both be cancelled under Lanham Act § 45, 15 U.S.C. § 1127" (emphasis added). Because Petitioner has failed to allege any facts which, if proved, would establish abandonment of Registrant's Reg. No. 3,394,514, Petitioner's ground of abandonment with respect to such registration should be dismissed.

II. Improper Assignment Under Section 10 of the Lanham Act (Amended Petition Cause 3) is Not Applicable to Either of the Challenged Registrations

In Cause 3 of the Amended Petition, Petitioner asserts that an assignment of issued registrations somehow violated Section 10 of the Lanham Act. The Board has, indeed, found that an assignment in violation of Section 10 of the Lanham Act, 15 U.S.C. § 1060, can be a valid ground for cancellation. *Clorox Co. v. Chem. Bank*, 40 U.S.P.Q.2d 1098, 1104 (T.T.A.B. 1996). However, an assignment can only violate Section 10 if it is of an intent-to-use application filed under Section 1(b) of the Lanham Act. Specifically, Section 10 states:

[N]o application to register a mark under section 1051 (b) [Lanham Act 1(b)] of this title shall be assignable prior to the filing of an amendment under section 1051 (c) of this title to bring the application into conformity with section 1051 (a) of this title or the filing of the verified statement of use under section 1051 (d) of this title, except for an assignment to a successor to the business of the applicant, or portion thereof, to which the mark pertains, if that business is ongoing and existing.

As alleged in paragraph 35 of the Amended Petition and confirmed by the Abstracts of Title in the USPTO's TESS database, attached as Exhibit A, Reg. Nos. 2,985,751 and 3,394,514 were assigned from Collagenex Pharmaceuticals, Inc. to Registrant on August 1, 2008, and such assignment was recorded on December 8, 2009. Registrant's Reg. No. 2,985,751 issued on August 16, 2005, and Reg. No. 3,394,514 issued on March 11, 2008, both prior to the allegedly improper assignment was executed or recorded. The respective registration certificates are attached as Exhibit B. Therefore, it is not possible that the assignment of these registrations violated Section 10 of the Lanham Act since they were not intent-to-use applications at the time of the assignment. Accordingly, any alleged ground under Section 10 is inapplicable to the present facts and thus this ground should be dismissed.

MOTION TO STRIKE CAUSES 4, 5 AND 6 OF PETITIONER'S AMENDED PETITION

Registrant Galderma Laboratories, L.P. moves to strike, under Rule 12(f) of the Federal Rules of Civil Procedure and Section 506 of the T.B.M.P., Causes 4, 5 and 6 of the Amended Petition. Under Federal Rule of Civil Procedure 12(f), the Board is authorized to strike “any redundant, immaterial, impertinent, or scandalous matter” or “an impermissible or insufficient claim (or portion of a claim) from a pleading.” *See* T.B.M.P. § 506.01.

III. The Cause 4 Allegations Are Redundant and/or Immaterial

Petitioner's Cause 4, paragraphs 63 – 65, purports to allege “Deception Under Section 2(d) of the Lanham Act.” Section 2(d) relates to the likelihood that a mark will cause “confusion, mistake, or deception” due to the existence of a mark previously registered or used by another. Yet, the allegations of paragraphs 63 and 64 do not relate to priority of use or likelihood of confusion—paragraph 63 consists of irrelevant and inappropriate legal briefing on the issue of abandonment, while paragraph 64 merely incorporates by reference paragraphs relating to Petitioner's “Improper Assignment” ground (Amended Petition Cause 3). Finally, Paragraph 65 states that Registrant's registrations should be canceled under Section 2(d) of the Lanham Act, but Petitioner has already alleged priority of use and likelihood of confusion under Section 2(d) in Cause 1. Cause 4, therefore, is redundant of Cause 1, and paragraphs 63 and 64 are irrelevant or immaterial. Accordingly, Cause 4 should be stricken.

Failure to grant this relief will preserve the status quo, leaving in place Petitioner's confusing repetition of Section 2(d) as a ground for cancellation and several paragraphs that are irrelevant to the ground purportedly alleged. This will prejudice Registrant because Registrant will be obliged to address these redundant and immaterial allegations as though they state a separate ground for cancellation when they do not and to expend substantial resources addressing this ground during discovery, and ultimately to mount a duplicative defense to the ground asserted in Cause 1. To avoid prejudice to Registrant and confusion of the issues, Registrant asks the Board to strike Cause 4 by requiring Petitioner to delete the heading which reads: “Cause 4: Deception Under Section 2(d) of the Lanham Act” and paragraphs 63 – 65.

IV. Causes 5 and 6 Do Not State Valid Grounds for Cancellation and/or Are Redundant of Cause 1

Causes 5 and 6 should be stricken because they do not allege any grounds of cancellation, and the allegations therein are merely unnecessarily detailed factual allegations that do not add anything substantive to the grounds already alleged in Cause 1. The allegations of the Amended Petition's Causes 5 and 6 are generally restatements of the original Petition's First Contract Theory and Second Contract Theory, which were the only grounds alleged therein. In response to the original Petition, Registrant filed a Motion to Dismiss on September 24, 2010 on the ground that Petitioner had failed to state a claim upon which relief could be based. In particular, Registrant alleged that Petitioner's "no longer owns" ground was not a valid ground of cancellation, that Petitioner failed to articulate a valid ground of cancellation, and that Petitioner instead alleged only breach of contract claims not within the Board's jurisdiction. In an Order issued January 25, 2011, the Board failed to find that Petitioner's asserted ground for cancellation was valid and instead interpreted the Petition for Petitioner as alleging priority of use and likelihood of confusion. Petitioner has since filed an Amended Petition, adding a ground for priority and likelihood of confusion but retaining his "First Contract Theory" and "Second Contract Theory" grounds, thereby continuing to allege that these contract claims constitute separate grounds of cancellation.

Petitioner's First Contract Theory and Second Contract Theory are titled "Cause 5" and "Cause 6," respectively, yet nowhere in the supporting paragraphs (that is, in paragraphs 66 – 74 and 75 – 80, respectively) does Petitioner state a ground for cancellation or allege facts supporting the elements of a ground for cancellation. Paragraphs 66 – 80 are a series of very detailed factual allegations which never hint at what the Cause 5 and Cause 6 grounds for cancellation actually are. Far from being short and plain statements of the claims, Petitioner's Causes 5 and 6 do not state claims at all, and they certainly do not provide Registrant sufficient notice of what grounds of cancellation are being asserted. In order to properly answer the Amended Petition and defend against Causes 5 and 6, Registrant should not have to interpret Petitioner's claims for Petitioner.

If Petitioner, by these contract claims, is attempting to assert priority of use and likelihood of confusion under Section 2(d), as the Board assumed he was doing by his original Petition, then Petitioner has already done this in Cause 1, paragraphs 43 – 48, and thus Causes 5 and 6 are redundant. If Registrant's understanding is correct, then the allegations of Causes 5 and 6 are nothing more than unnecessarily detailed factual allegations supporting a ground already sufficiently pled in Cause 1. The Amended Petition need not include intricately detailed factual allegations. *See Ashcroft v. Iqbal*, 556 U.S. ___, 129 S. Ct. 1937, 1949 (2009). The Federal Rules of Civil Procedure rely on discovery to flesh out the disputed facts. *See Swierkiewicz v. Sorema N.A.*, 534 U.S. 506, 512 (2002). All that is required of Petitioner is a short and plain statement of the claim sufficient to provide Registrant with fair notice of Petitioner's grounds for cancellation. *See Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 319 (2007). Registrant should not be required, at this early stage, to admit or deny every fact Petitioner intends to prove at trial. Accordingly, Causes 5 and 6 should be stricken.

Failure to grant this relief will preserve the status quo, leaving in place Petitioner's confusing assertion that the Cause 5 First Contract Theory and Cause 6 Second Contract Theory state grounds of cancellation when the assertions therein actually only provide unnecessarily detailed factual allegations and no grounds for cancellation. This will prejudice Registrant because Registrant will be obliged to answer these claims even though Registrant cannot comprehend what grounds for cancellation are being alleged and to expend substantial resources addressing these as grounds during discovery, and ultimately to mount a defense, when the elements of the Cause 5 and 6 grounds are not known. By striking Causes 5 and 6, the Board will permit the parties to focus on the other pled causes, such as the issues of prior use and likelihood of confusion of Cause 1. To avoid prejudice to Registrant and confusion of the issues, Registrant asks the Board to strike Causes 5 and 6 by requiring Petitioner to delete the headings which read: "Cause 5: First Contract Theory" and "Cause 6: Second Contract Theory" and paragraphs 66 – 80.

REPLY TO PETITIONER'S BRIEF IN OPPOSITION TO REGISTRANT'S MOTION TO STRIKE AND MOTION FOR A MORE DEFINITE STATEMENT

Registrant Galderma Laboratories, L.P. hereby files this Reply in Support of its Motion to Strike. Petitioner's brief in opposition asks the Board to reconsider its finding that Petitioner's contract claims are not valid grounds for cancellation. *See* Brief in Opposition, Mar. 23, 2011, at 1. Petitioner's brief further asks that Petitioner's two contract theories be "reinstated." *Id.* at 3. To the extent that Petitioner has used its opposition brief to make a motion for reconsideration, Registrant opposes such motion as untimely and unsupported.

V. Petitioner's Motion for Reconsideration Should be Denied

A. Petitioner's request for reconsideration is untimely

Any request for reconsideration or modification of an order issued on a motion must be filed within one month from the date thereof. *See* 37 C.F.R. § 2.127(b). "Unless the Director, upon petition, waives the time requirement of 37 C.F.R. § 2.127(b), the Board need not consider a request for reconsideration or modification filed more than one month from the date of the order or decision complained of." *See* T.B.M.P. § 518; *Baron Philippe de Rothschild S.A. v. Styl-Rite Optical Mfg. Co.*, 55 U.S.P.Q.2d 1848, 1854 (T.T.A.B. 2000) (denying party's motion for reconsideration as untimely after party waited two months before filing the motion).

In this case, Petitioner asks the Board to reconsider its "ruling that these [Petitioner's 'Alternative Contract Theories'] are not grounds for cancellation." *See* Brief in Opposition, Mar. 23, 2011, at 1. Petitioner's request for reconsideration, filed March 23, 2011, comes nearly two months after the date of the Board's January 25 Order. Petitioner's request for reconsideration, therefore, should be rejected as untimely.

B. Petitioner's request for reconsideration is unsupported

"Every motion must embody or be accompanied by a brief." 37 C.F.R. § 2.127(a). Petitioner's entire submission in support of his request for reconsideration of the Board's ruling is as follows:

Petitioner submits that it has put forward reason to understand why the two contract causes do and should fall within the Board's jurisdiction. Accordingly, Petitioner asks reconsideration of the Board's ruling that these are not grounds for cancellation.

Brief in Opposition, Mar. 23, 2011, at 1. Petitioner provided no arguments or authorities in support of his request for reconsideration and, therefore, nothing new for the Board to consider. *S. Indus. Inc. v. Lamb-Weston Inc.*, 45 U.S.P.Q.2d 1293, 1297 (T.T.A.B. 1997) (denying a motion to amend where the motion "consist[ed] of [a] one sentence request to amend and an accompanying amended petition for cancellation"). Accordingly, Petitioner's request for reconsideration should be rejected as unsupported.

C. The Board did not err

In stating that breach of contract is not a proper grounds for cancellation, the Board correctly stated the law. "Generally, the premise underlying a motion for reconsideration . . . is that, based on the facts before it and the prevailing authorities, the Board erred in reaching the order or decision it issued." See T.B.M.P. § 518. In his request for reconsideration, Petitioner does not allege any error by the Board or cite any authority in contradiction of the Board's statement. Rather, Petitioner merely states that he has "put forward reason to understand why the two contract causes do and should fall within the Board's jurisdiction" but absolutely no reasons are stated. *Brief in Opposition*, Mar. 23, 2011, at 1.

Petitioner identifies no reasons because the Board did not err. No longer owning a mark is not a valid ground for cancellation. An acceptable ground for cancellation of a registration "must be a statutory ground which negates the appellant's right to the subject mark." *Carano v. Vina Concha Y Toro S.A.*, 67 U.S.P.Q.2d 1149, 1151 (T.T.A.B. 2003) (internal citations omitted). Such grounds generally fall into one of two categories: (1) any ground that would have negated an applicant's right to register a mark in the first instance or (2) one of the statutorily enumerated grounds identified at 15 U.S.C. § 1064. See 3 J. Thomas McCarthy, *McCarthy On Trademarks & Unfair Competition* § 20:52 (4th ed. 2010). Given that it is absent from Section 1064,¹ Petitioner's alleged ground that Registrant "no longer

¹ Section 1064 relates generally to genericness, abandonment, functionality, registrations fraudulently obtained, trademark misuse, and certification mark misuse.

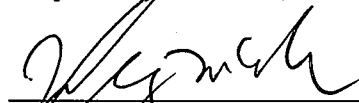
owns” the mark must fall into the first category, that is, as a ground that would have negated Registrant’s right to register the mark in the first place.

The Trademark Trial and Appeal Board Manual of Procedure (T.B.M.P.) includes a list of examples of valid grounds for oppositions and cancellations, and the lack of ownership ground is articulated in that list as follows: “That defendant is not (and was not, at the time of filing of its application for registration) the rightful owner of the registered mark.” T.B.M.P. § 309.03(c)(8) (emphasis added). The lack of ownership of a trademark following registration is not a valid cancellation ground. The Board plainly did not err in concluding that Petitioner’s alternative contract theories do not constitute valid grounds.

VII. Conclusion

Registrant asks the Board to dismiss Cause 2 as it relates to Reg. No. 3,394,514 and Cause 3 in its entirety of the Amended Petition. Registrant further requests that the Board strike Causes 3, 4 and 5 of the Amended Petition in their entirety. Finally, Petitioner’s request for reconsideration should be rejected as untimely and as lacking any legal support.

Respectfully submitted,



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Date: April 11, 2011

Thomas Skold
Petitioner,

y.

Cancellation No.: 92052897

Mark: RESTORADERM

Reg. Nos.: 2,985,751 and 3,394,514

The undersigned hereby certifies that on this 11th day of April, 2011, the foregoing Registrant's Motion to Dismiss Cause 2 (in part) and 3 of Petitioner's Amended Petition; Motion to Strike Causes 4, 5 and 6 of Petitioner's Amended Petition; and Reply to Petitioner's Brief in Opposition to Motion to Strike and Motion for a More Definite Statement was served on Petitioner's counsel of record, via first-class mail to the following:

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